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C O N F I D E N T I A L LA PAZ 002087

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TAGS: [PGOV](#) [PREL](#) [KDEM](#) [PHUM](#) [ASEC](#) [BL](#)
SUBJECT: QUIET IN SANTA CRUZ, PANDO PREFECT STILL IN CUSTODY

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 b,d

[¶1.](#) (SBU) Following President Evo Morales' order that government-aligned social groups suspend their siege of Santa Cruz for 48 hours, Bolivia is relatively calm on September [¶24.](#) The city of Santa Cruz canceled its founding day ceremonies and parades because of food shortages and the possibility of violence due to the encircling presence of government supporters. The leaders of some social groups (particularly those groups that have been on the road for multiple days) are publicly chafing at the order not to enter the city of Santa Cruz. Skirmishes have been reported between government-aligned groups and the Santa Cruz Youth Union in Montero, 80 km outside of the city of Santa Cruz. RSO reports that a number of the groups originally besieging the city seem to have dispersed, while one large group has withdrawn to regroup about 60 km from the city.

[¶2.](#) (SBU) Despite a judicial order that opposition Pando Prefect Leopoldo Fernandez (arrested under "state of emergency" powers) be transferred to Sucre, the government announced on September 23 that Fernandez will remain in La Paz for three months. Vice Minister Ruben Gamarra suggested that Fernandez may be moved to a military prison. Daily protests at the San Pedro prison where Fernandez is currently being held have led to press reports of the protesters (often retirees) demanding their chits to prove to the government that they protested as instructed.

[¶3.](#) (SBU) Judge Alvaro Melgarejo, who announced on September 22 his intention to comply with the Supreme Court order to transfer Fernandez to Sucre, complained publicly on September 23 that he and his family have been threatened as a result of his attempt to obey the law. "There are threats against my life, against my family, against the (court) officials...the government is responsible because they've informed me that they wanted to intercept my car, they want to beat me." Melgarejo added that he had moved his family to a safe location.

[¶4.](#) (C) Comment: Although Santa Cruz has been momentarily relieved by a presidentially-ordered lull in the siege of the city, violence is still possible if the opposition prefects

do not sign the pre-negotiation agreement that President Morales signed before leaving for the UNGA. Opposition senators have also declared their intent to block any legislation calling for a referendum on the constitution unless the government and prefects make substantial changes to the draft constitution (requiring two-thirds vote rather than a simple majority to change the constitution, modifying the presidential reelection article, defining or eliminating the term "plurinational", and protecting private property.) If the opposition prefects refuse to sign Morales' agreement, the government-aligned forces poised outside of Santa Cruz city are likely to step up their pressure tactics, possibly resulting in violence. If the Senate blocks Morales' constitutional referendum, government-aligned groups may surround the congress (as they did in February 2008) in an attempt to block opposition senators from entering and voting.

15. (C) Comment continued: The British Ambassador, who is acting as an international observer at the government/opposition talks in Cochabamba, believes that Brazilian President Lula da Silva has been instrumental in pressuring Morales to negotiate and refrain from using a heavy hand. (Note: The British also told us that the Venezuelan representative of the UNASUR team is "almost out of control", pressuring all observers to support the government and shun the opposition. It reportedly got so bad that the other international observers asked the Cuban representative to please try to control his Venezuelan comrade. End note.) If the government and opposition reach an agreement, the question is whether either side will abide by the agreement once the international spotlight is no longer trained on their actions. The opposition may have successfully bought a little time, but Morales' first two and a half years in office show us that he is willing to bend or break the rules and that he is not amenable to being thwarted. End comment.

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